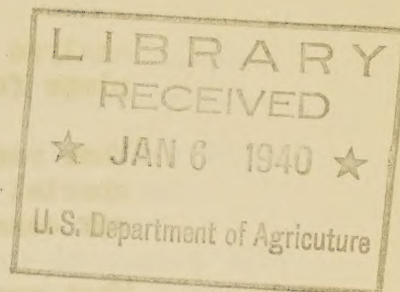


November 1939

DISCUSSION QUESTIONS ON
OUTLOOK FOR FARM FAMILY LIVING IN 1940*

As a Basis for Family Financial Planning



The Farm Family Living Outlook is prepared each year by the Bureau of Home Economics in cooperation with the Bureau of Agricultural Economics and the Extension Service, United States Department of Agriculture, to help farm families take stock of individual, State, and national situations and to develop their yearly farm and home financial plans. Helpful references on the national outlook are: The Agriculture and Farm Family Living Outlook Reports for 1940.

All farm families are interested in getting ahead financially. To reach the goals for which they strive each year, it is necessary to look ahead, visualize the situations that may change, and decide what action is best under their particular conditions.

Farm families must consider many things when making either short- or long-time plans. Changes since the outbreak of the present European war in our export market for tobacco and apples illustrate the fact that tomorrow's decision in some foreign country may affect the income of farm families in the United States. In short- and long-time planning it is necessary to consider not only family situations and the outlook for agriculture and farm family living but also the national and international outlook as these affect State and local production and marketing problems.

Wise farm and home financial planning requires the knowledge and judgment of all family members and is best arrived at through family counseling. Joint family decisions should be reached in connection with long-time production and consumption plans that affect the family as a unit, education of the children, the improvement of the home, recreation, and medical care. Though details of plans for crops and livestock rest largely with the men of the family, and many details of consumption plans may well be handled by the women members, financial planning when approached as a family affair, is an added assurance that the family will reach its goals.

The family interested in using available economic information may ask themselves these questions:

When and how can we obtain and use outlook information as the basis for decisions on production and consumption to help us

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analyze our present resources and in making farm and home plans for the coming year?

What sections of the State and county outlook reports are of special significance to our family and to other families in our community?

What meetings scheduled in the community can we attend that will help us in financial planning?

What economic information in the circular letters and news stories received from county extension workers will help us?

What economic or outlook information can we expect to obtain from radio programs?

Are there farm and home demonstrations showing accomplishments through planning, that could be visited in the community.

How may we obtain assistance from local leaders and teachers who have had training in the use of outlook information?

Can we stimulate our boys and girls to bring home from high school applicable economic information?

How can we allot time for family financial planning?

Outlook	Questions
<u>Farm Family Income, 1940</u>	
Incomes of farm as well as city families will be higher than in 1939, if increased industrial activity is maintained in 1940. The outlook for farm family living is closely bound to the outlook for living of families in cities.	How did changes in the demand for products of our farm affect our income in 1939? Can at least some of these changes be traced to higher or lower incomes of families in nearby towns or cities?
Net money returns from farming bid fair to be higher in 1940 than in 1939. Income from Government payments will be about the same.	In what way is the net cash income of our family likely to be affected in 1940, if the demand for agricultural products increases?
There will be regional differences in income both from sales of farm products and from Government payments.	What is the outlook for income from farm marketings and Government payments in our region?

Outlook

The money value of the food and fuel used from the farm may be somewhat higher than in 1939, if prices of farm products advance.

Nonfarm earnings of family members will increase, if industry provides greater opportunities for employment off the farm.

There will be in every farming community an appreciable number of low-income families, even if national income from agriculture rises in 1940.

Problems pressing for solution are:

An expanding farm population with narrowing international markets for farm products.

Questions

What foods did we raise for family use in 1939? Are present farm prices of these foods higher or lower than they were in August 1939, before the outbreak of the European war?

What foods did we purchase last year? Are present retail prices of these foods higher or lower than before the outbreak of war?

What changes in our present household may take place if industry provides greater opportunities for employment off the farm? What increases in family income may we anticipate?

How can families with low incomes in our community attain better levels of living than they now have? Can they obtain better food, clothing, housing, education?

Are there disadvantaged rural families in our community?

Through what agencies in our county can we work to increase money and nonmoney incomes of rural families at low-income levels? At other income levels?

What agencies can help us deal with these problems?

Has the demand for the farm products that we raise been affected by narrowing international markets?

What possibilities are there for increasing the use of farm products in our community?

Has the birth rate increased or decreased in our county? The death rate? What major factors have contributed?

Outlook	Questions
Decreased opportunity for employment of rural youth in both farm and urban communities.	What adjustments in the educational programs of our community are needed to meet the demand of this expanding farm population?
Migrant farm families seeking places to earn a living.	Has the youth in our county been employed on or off the farms during the last year? Can employment of youth be fostered as a community undertaking, or in individual farm enterprises?
Rising farm tenancy.	Are migrant farm families a problem in our county? What can we do about it?
Insecurity of farm income.	Has tenancy increased or decreased in our county? What are some reasons? Has the size of farm increased or decreased? How have such changes affected family living levels? What can our family do to stabilize our income?

Farm Family Income, 1939

Incomes of most farm families will be a little higher for 1939 than for 1938.

Which of the four parts that make up our family income have increased or decreased during this year?

Net money income from farming, that is, the difference between receipts from sales of farm products and their production expenses.

Money value of food, housing, fuel, and other products furnished by the farm for family use, and of net change in livestock owned and crops stored for sale.

Money earnings from employment off the farm, and all other money income, such as interest on postal savings.

Outlook

Questions

Money value of goods received as gift or pay.

Will our total family income for 1939 be higher than for 1938?

Planning Farm Family Living, 1940

Troubled days ahead in 1940 should not lessen the making of farm and home management plans.

Income, land, time, and other resources will yield greater satisfaction if a family plans for their use than if they are spent in hit-or-miss fashion.

Long-time planning should be considered in the light of a possible war boom and slump. Paying off debts may be wiser than buying more land or expanding debts.

Though the purchasing power of the family living dollar may be somewhat less in 1940 than in 1939, most farm families can partly offset a rise in the prices they pay for clothing and other items by growing larger gardens and producing more meat supplies and other farm products.

Wise use of credit is an important aspect of family financial management. Families that need to borrow for a short or a long period should investigate interest rates and terms for loan amortization.

In the light of uncertainties in the international and domestic situations for 1940, how can we as a family develop farm and home plans that will increase our financial stability, raise our family living level, and aid in our development as a family group?

What plans did we make and what records did we keep in 1939: Farm and home management plans, farm and home accounts, or plans and records for one or more commodities, such as food or clothing?

How have our plans and records prepared us to make wise management decisions?

What kind of records should we keep in 1940?

What items in our 1940 purchasing plan will probably cost more than they did in 1939? On what other items might we cut corners?

Does our family expect to borrow in 1940? What should we know about credit in order to do this wisely? Where can we get needed information?

Outlook	Questions
Farm homemakers are increasing their efficiency as buyers, another major phase of the job of managing family funds.	What commodities did we buy more intelligently in 1939? What articles that we plan to buy in 1940 should we investigate?
Well-balanced plans for family living should provide for recreational and social activities, and for education for all family members.	Does our family plan provide for intellectual and social growth, as well as our physical needs? How can our community work together to help us have better rounded lives and broader interests?
	How can we make better use of farm-furnished food and fuel to provide gifts and charity without spending money? What opportunities for recreation could be more generally used without spending money?

Food for the Family

Farm families can have better diets at a lower cash outlay than their village and city neighbors, because many of the protective foods can be farm-furnished.	Of the six food groups - milk, vegetables and fruit, meats, cereals, fats, sugars - needed for an adequate diet, which do we raise for sale? Do we sometimes eat less than an adequate amount of any of these foods in order to sell them?
	Which food groups did we raise chiefly for the family table in 1939?
The proportion of the family food supply and to some extent the kinds of food that are home-produced differ from one farming area to another.	Were our diets low in any essential food group in 1939?
Although farm families produce much of the food they consume, nevertheless the largest share of the family's dollar spent for living goes for food.	What percentage of our family money income did we spend for food in 1939? How much per person per month? For which food groups did we spend the most?
To insure good diet with available resources, it is important to make a yearly food supply plan to guide production, preservation, and buying.	Did we figure family food needs in 1939 and make a program for food production and food buying?

Outlook

Questions

Canning by plan, better facilities for storing fruits and vegetables, and more freezer lockers are contributing to better diets.

There will be an ample supply of food for the Nation's table in the 1939-40 season. Meat (especially pork), poultry, and egg supplies will be larger. Butter, milk, and cheese quantities are adequate. Fresh fruits and fresh vegetables are plentiful. Sugar supplies are more than enough to meet domestic needs.

Retail food prices will average somewhat above the level of the first 7 months of 1939.

Did we save money through thrifty buying practices?

In the light of probable cash income and available labor, should we increase or lessen our food production in 1940?

Are we or our neighbors using freezer lockers for food storage? For what foods are they most satisfactory? Some 1,850 freezer lockers were in use in 38 States in July 1939.

What foods that we cannot raise advantageously in our farming area can we buy as a group or through farmer cooperatives?

In view of the probable likelihood of higher wholesale and retail prices for food, should we plan to produce more or less for family use?

Communication and Transportation

An increase in income in 1940 may be reflected in a higher proportion of families using radios, automobiles, and telephones.

In deciding whether to buy a radio, what points besides income should we consider? An automobile?

If we contemplate such a purchase, at what time of year would it seem best to buy a radio or automobile?

If we need credit to purchase a radio or car, what sources of credit are available and what procedures should we follow?

Outlook	Questions
Automobile prices for 1940 models are about the same as in 1939, but they may change without notice. Automobile operating costs may increase.	Will our total automobile expenditures for the family use of the car increase or decrease in 1940?
	How can we decrease our automobile operating expenses? Would records help? If so, where should we keep the automobile record book?
Used cars are purchased by approximately 5 out of 6 families with incomes below \$1,000.	If we buy a used automobile, whom can we consult to be sure we are getting our money's worth?

Clothing

Outlays for clothing are large enough to justify interest in price trends.	How much did we spend for clothing during 1939? Clothing and textile expenditures of farm families rank among the big four items of living expense; namely, food, household operation, family automobile, and clothing.
Ready-to-wear clothing, especially wool and worsted garments, may be priced higher than in the spring of 1939.	Do we expect changes in our family's income that may cause us to make garments at home or to purchase more ready-made clothing? What other factors should we consider in making this choice? Do we need help in making clothing?
Shoes may cost more in 1940 because of the rise in price of skins and hides in the autumn of 1939.	What can we do in the care of our clothing to offset the expected increase in cost of shoes and garments?
	Do we get satisfaction from our clothing purchases? If not, who is responsible -- the manufacturer, the merchant, the advertiser, or we, ourselves? What kind of help do we need to improve our own buying practices?

Outlook	Questions
	<p>How will the money for clothing be distributed among our family members, and what shall we buy? Would clothing plans and records help?</p>
<p><u>Housing, Equipment, and Household Operation</u></p>	
<p>The Nation's farm families are still inadequately housed. About one-sixth of the homes should be replaced; one-third need major repairs; fewer than one-fifth have water piped to the house.</p>	<p>What factors will influence our decision in regard to the expenditures we shall make for housing, electricity, and equipment in 1940?</p>
	<p>What minor repairs around the house could be made with small expenditure?</p>
<p>The number using electricity has markedly increased, and will include more than one-fourth of the Nation's farms by the close of 1940.</p>	<p>Does our family have a progressive plan for installing electricity?</p>
<p>Furnishings and equipment ordinarily take but a small part of the yearly outlay for family living. Furniture prices in 1940 may be about the same as or a little higher than in 1939.</p>	<p>Are there any agencies in our community that can help us to buy more satisfactorily?</p>
<p>The 1940 price of many electric devices may be advanced above the 1939 prices.</p>	<p>Do we plan to buy any electric devices in 1940?</p>
<p>Of the more expensive articles of electric equipment bought by farm families, washing machines or refrigerators are purchased first.</p>	<p>How shall we determine whether it is advisable to buy used equipment?</p>
<p>Money outlays for household operation may increase in 1940 for families installing electricity.</p>	<p>Would keeping records on the uses we have made of electricity and its costs help us to make decisions on future choices? Would comparing such records with those of other families similar to ours be of value?</p>
<p>The anticipated rise in coal prices in 1940 may increase fuel bills, but some families may be able to offset such an increase by using farm-furnished fuel.</p>	<p>Do we have a long-time wood lot plan for our farm? Is such a plan feasible?</p>

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